

Although you will be ordering  
the book The Intelligence Community,  
I put together some excerpts that  
provide background to the establish-  
ment of the CIA and its ongoing  
evolution.

I hope it provides some flavor  
of the work our employees do (as you  
are already well aware).

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# THE INTELLIGENCE COMMUNITY

## History, Organization, and Issues

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### Public Documents Series

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The 1947 National Security Act represented the exercise of Congress' constitutional power to order the conduct of foreign intelligence activity under law. By placing the authority for foreign intelligence activity on a statutory base, Congress sought to reduce the reliance on "comprehensive and undefined" Presidential power that had previously been the principal source of authority. However, the language of the 1947 Act did not expressly authorize the conduct of covert action and, as discussed earlier, Congress apparently did not intend to grant such authority. As a result, inherent Presidential power has continued to serve as the principal source of authority for covert action.

Congress continued to exercise this constitutional power in subsequent legislation. In the Central Intelligence Act of 1949, Congress set out the administrative procedures governing CIA activities. The 1949 Act regulated the CIA's acquisition of material, the hiring of personnel and its accounting for funds expended.

### EVOLUTION OF THE U.S. INTELLIGENCE COMMUNITY

The evolution of the United States intelligence community since World War II is part of the larger history of America's effort to come to grips with the spread of communism and the growing power of the Soviet Union.

#### The Response to the Soviet Threat

Immediately after its establishment, the CIA and other elements of the intelligence community responded to the external threats facing the United States.

—*The threat of war in Europe.* Following the war there was a distinct possibility of a Soviet assault on Western Europe.

In light of these developments, U.S. policymakers came to the conclusion that outright war with the Soviet Union was possible. The U.S. intelligence community responded accordingly. The CIA assumed the espionage task, running agents and organizing "stay-behind networks" in the event the Soviets rolled west. Agents, mostly refugees, were sent into the East to report on Soviet forces and, in particular, any moves that signalled war. The U.S. went so far as to establish contact with Ukrainian guerrillas—a relationship that was maintained until the guerrillas were finally wiped out in the early 1950s by Soviet security forces. CIA activities, however, were outnumbered by the clandestine collection operations of the military, particularly in Western Europe, where the Army maintained a large covert intelligence and paramilitary capability.

—*Turmoil in the West.* The Soviets had powerful political resources in the West—the Communist parties and trade unions. Provided with financial and advisory support from the Soviet Union, the Communist parties sought to exploit and exacerbate the economic and political turmoil in postwar Europe.

The United States responded with overt economic aid—the Truman Doctrine and the Marshall Plan—and covert political assistance. This latter task was assigned to the Office of Special Projects, later renamed the Office of Policy Coordination (OPC). The Office was housed in the CIA but was directly responsible to the Departments of State and Defense. Clandestine support from the United States for European democratic parties was regarded as an essential response to the threat of "international communism." OPC became the fastest growing element in the CIA. To facilitate its operations, as well as to finance CIA espionage activities, the Congress passed the Central Intelligence Agency Act of 1949, which authorized the Director of CIA to spend funds on his voucher without having to account for disbursements.

### Korea: The Turning Point

The Communist attack, feared in Europe, took place in Asia. The Korean War, following less than a year after the fall of China to the Communists, marked a turning point for the CIA. The requirements of that war, the involvement of China, the concern that war in Europe might soon follow, led to a fourfold expansion of the CIA—particularly in the paramilitary field. This period was characterized by efforts to infiltrate agents into mainland China, which led to the shoot-down and capture of a number of Americans.

The failure to anticipate the attack on Korea was regarded as a major intelligence failure. The new Director of the CIA, General Bedell Smith, was determined to improve CIA's estimating and forecasting capabilities. He called on William Langer, formerly chief of the Research and Analysis section of the OSS, to come to Washington from Harvard, in 1950, to head a small staff for analysis and the production of intelligence. An Office of National Estimates (ONE) was established to produce finished intelligence estimates. ONE drew on the intelligence information resources of the entire U.S. intelligence community and was aided by a Board of National Estimates composed of leading statesmen and academic experts.

By the end of the Korean War and the naming of Allen Dulles as DCI, the powers, responsibilities and basic structure of the CIA were established. The Agency had assumed full responsibility for covert operations in 1950, and by 1952 covert action had exceeded the money and manpower allotted to the task of espionage—a situation that would persist until the early 1970s.

~~Paramilitary actions were in disrepute because of a number of failures during the Korean War. However, the techniques of covert military assistance in training had been developed, and the pattern of CIA direction of Special Forces and other unconventional components of the U.S. Armed Forces in clandestine operations had been established.~~

~~In the field of espionage, the CIA had become the predominant, but by no means the exclusive operator.~~ Clandestine human collection of intelligence by the military services continued at a relatively high rate. The military also had a large stake in clandestine technical collection of intelligence.

### The "Protracted Conflict"

With the end of the Korean conflict and as the mid-1950s approached, the intelligence community turned from the desperate concern over imminent war with the U.S.S.R. to the long-term task of containing and competing with communism. ~~In the "struggle for men's minds," covert action developed into a large-scale clandestine psychological and political program aimed at competing with Soviet propaganda and front organizations in international labor and student activities.~~ Specific foreign governments considered antithetical to the United States and its allies or too receptive to the influence of the Soviet Union, such as Mosedegeh in Iran in 1953 and Arbenz in Guatemala in 1954, were toppled with the help of the CIA. Anti-communist parties and groups were given aid and encouragement such as the Sumatran leaders who, in 1958, sought the overthrow of President Sukarno of Indonesia.

~~At the same time, the CIA was moving into the field of technical intelligence and reconnaissance in a major way.~~ The U.S. military had recognized the value of aerial reconnaissance within a few short years after the Wright brothers' successful flight in 1903 and had borne major responsibility for reconnaissance against Communist bloc countries. ~~But it was the CIA in 1959 that began work on the U-2.~~

It proved to be a technical triumph. The U-2 established that the Soviet Union was not, as had been feared, about to turn the tables of the strategic balance. ~~It gained more information about Soviet military developments than had been acquired in the previous decade of espionage operations.~~

Nonetheless the U-2 proved the value of exotic and advanced technical means of intelligence collection. ~~It was followed by a transformation of the intelligence community.~~ As the 1950s gave way to the 1960s, large budgets for the development and operation of technical collection systems created intense competition among the military services and the CIA and major problems in management and condensation.

### Third World Competition and Nuclear Crisis

While the United States' technical, military and intelligence capabilities advanced, concern intensified over the vulnerability of the newly independent nations of Africa and Asia to communist subversion. And in the Western Hemisphere the establishment of a communist Cuba by Fidel Castro was seen as presaging a major incursion of revolutionary communism to the Western Hemisphere.

At his inauguration in January, 1961, President Kennedy proclaimed that America would "pay any price and bear any burden" so that liberty might prevail in the world over the "forces of communist totalitarianism." Despite the catastrophe of the CIA-sponsored Bay of Pigs invasion only four months later, the covert action and paramilitary operations staffs of the CIA were to shoulder a significant part of that burden. In Latin America the Alliance for Progress, the overt effort to help modernize the southern half of the hemisphere, was accompanied by a significant expansion of covert action and internal security operations aimed at blocking the spread of Castro's influence or ideology. This was accompanied by an intense paramilitary campaign of harassment, sabotage, propaganda against Cuba, and attempted assassination against Castro.

Nearby, in the Dominican Republic, the United States had already supported the assassins of Dictator Raphael Trujillo in order to preempt a Castro-type takeover. In Africa, significant paramilitary aid was given in support of anti-Soviet African leaders. In Asia, American intelligence had been involved for a long time in the Indochina struggle. The CIA, along with the rest of the United States government, was drawn ever deeper into the Vietnamese conflict.

### Technology and Tragedy

During the 1960s the U.S. intelligence community was dominated by two developments: First, the enormous explosion in the volume of technical intelligence as the research and development efforts of the previous period came to fruition; second, the ever-growing involvement of the United States in the war in Vietnam.

The increase in the quantity and quality of technically acquired information on Soviet military forces, in particular strategic forces, made possible precise measurement of the existing level of Soviet strategic deployments. However, it did not answer questions about the ultimate scale of Soviet strategic deployments, nor did it provide firm information on the quality of their forces. While it provided an additional clue as to Soviet intentions, it did not offer any definitive answers.

\* During this same period, the Executive moved to initiate certain management reforms. Beginning as early as 1968, there were cutbacks in the scale of the overall intelligence community. These cutbacks deepened by 1970, both in the size of the overall intelligence budget in real terms and in the manpower devoted to intelligence activities. CIA covert activities were sharply reduced with a few notable exceptions such as Chile. The internal security mission in foreign countries was dropped. There was a re-emphasis on collecting covert intelligence on the Soviet Union. Terrorism and narcotics were added to the list of intelligence requirements for our clandestine espionage services.

### The Task Ahead

The American intelligence community has changed markedly from the early postwar days, yet some of the major problems of that period persist. The intelligence community is still highly decentralized; the problem of maintaining careful command and control over risky secret activities is still great. There is a continuing difficulty in drawing a line between national intelligence activities, which should be closely supervised by the highest levels of government, and tactical intelligence, which are the province of the military services and the departments.

### *The NSC and Intelligence*

The 1947 National Security Act established the CIA as well as the NSC. The Act provided that the CIA was "established under the National Security Council" and was to carry out its prescribed functions "under the direction of the National Security Council." Five broad functions were assigned to the CIA:

(1) *to advise* the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security.

(2) *to make recommendations* to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) *to correlate and evaluate* intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities.

(4) *to perform*, for the benefit of the existing intelligence agencies, *such additional services of common concern* as the National Security Council determines can be more efficiently accomplished centrally.

(5) *to perform such other functions and duties* related to intelligence affecting the national security as the National Security Council may from time to time direct.

The Director of Central Intelligence is responsible for seeing that these functions are performed, and is to serve as the President's principal foreign intelligence officer.

The NSC sets overall policy for the intelligence community. It does not, however, involve itself in day-to-day management activities.

### The Director of Central Intelligence

The Pearl Harbor intelligence failure was the primary motivation for establishing a Director of Central Intelligence. President Truman desired a national intelligence organization which had access to all information and would be headed by a Director who could speak authoritatively for the whole community and could insure that the community's operation served the foreign policy needs of the President and his senior advisers.<sup>9</sup> President Truman and subsequent Presidents have not wanted to rely exclusively on the intelligence judgments of departments with vested interests in applying intelligence to support a particular foreign policy or to justify acquiring a new weapons system.

However, the DCI's responsibility to produce national intelligence and to coordinate intelligence activities has often been at variance with the particular interests and prerogatives of the other intelligence community departments and agencies.

However, over time the actual degree of conflict between the DCI's responsibility to coordinate intelligence activities and the interests of the other parts of the community has depended on how broadly each DCI chose to interpret his coordination responsibilities and how he allocated his time between his three major roles.<sup>9</sup> The three roles the DCI plays are: (1) the producer of national intelligence; (2) the coordinator of intelligence activities; and (3) the Director of the Central Intelligence Agency.

*mission* In summary, the DCI does not have authority to manage any collection programs outside his own agency. The DCI only issues general guidance. The departments establish their own intelligence collection requirements and the collection managers (NSA, DIA, CIA, and the military services) retain responsibility for determining precisely which intelligence targets should be covered. President Ford's Executive Order does not change the DCI role in the management of intelligence collection activities.

### DIRECTOR OF THE CIA

At the same time the DCI has responsibility for coordinating the activities of the entire community, he also has direct authority over the intelligence operations of the CIA. As Director, the DCI runs covert operations and manages the collection of clandestine human intelligence (Directorate of Operations); manages the collection of signals intelligence abroad and allocates resources for the development and operation of certain technical collection systems (Directorate of Science and Technology); and produces current intelligence and finished intelligence memoranda (Directorate of Intelligence).

The fact that the DCIs have also directed the operations of the CIA has had a variety of consequences. First, DCIs have tended to focus most of their attention on CIA operations. The first Directors were preoccupied with organizing and establishing CIA and with defining the Agency's role in relation to the other intelligence organizations. While Allen Dulles and Richard Helms were DCI, each spent considerable time running covert operations. John McCone focused on improving the CIA's intelligence product and developing new technical collection systems when he was Director. Admiral Raborn emphasized refining the Agency's budgetary procedures.<sup>10</sup>

Second, by having their own capabilities to collect and produce intelligence, DCIs have been able to assert their influence over the intelligence activities of the other members of the intelligence community.